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COORDINATION QUESTIONS: REPORTS OF THE COORDINATION BODIES

Annual overview report of the Administrative Committee on Coordination for 1992

Addendum

SUMMARY

The present report reviews activities of the Administrative Committee on Coordination (ACC) related to the follow-up to the recommendations of intergovernmental bodies (General Assembly, Economic and Social Council and Committee for Programme and Coordination), the response of ACC to recent international developments and ACC actions in the financial, administrative and personnel areas.

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Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
CCAQ (FB)	Consultative Committee on Administrative Questions (Financial and Budgetary Questions)
CCAQ (PER)	Consultative Committee on Administrative Questions (Personnel and General Administrative Questions)
CCSQ (OPS)	Consultative Committee on Substantive Questions (Operational Activities)
CPC	Committee for Programme and Coordination
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
ESCAP	Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMF	International Monetary Fund
JCGP	Joint Consultative Group on Policies
OC	Organizational Committee
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund

UNHCR	Office of the United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
WFP	World Food Programme
WHO	World Health Organization

I. FOLLOW-UP TO THE RECOMMENDATIONS OF INTERGOVERNMENTAL BODIES (GENERAL ASSEMBLY, ECONOMIC AND SOCIAL COUNCIL AND COMMITTEE FOR PROGRAMME AND COORDINATION)

A. Economic and Social Council

1. ACC welcomes the opportunity provided during the high-level coordination and operational activities segments of the Economic and Social Council for a dialogue between Governments and the executive heads of the organizations of the United Nations system. It expresses its readiness to work closely with the Council in its efforts to enhance the coherence and impact of the activities of the United Nations system in the economic, social and related fields. ACC is confident that, as the current phase of reform and restructuring of both intergovernmental machinery and ACC and its subsidiary bodies is completed, the United Nations system will be in a better position to respond effectively to the many challenges facing the international community in a rapidly changing world.

B. Operational activities for development

2. ACC, with the assistance of CCSQ/OPS, continued to focus its efforts on improving the coherence and effectiveness of operational activities for development, with particular emphasis on field coordination. The full implementation of General Assembly resolutions 44/211, 46/219 and 47/199, as well as related decisions of other governing bodies, received priority attention in this regard.

3. The main issues addressed and the action taken thereon are set out below.

1. Reform and restructuring

4. ACC and CCSQ/OPS reviewed relevant issues arising from the reform and restructuring of the United Nations and the implications these might have for operational activities of the United Nations system. A senior-level seminar was held on the subject under the auspices of CCSQ/OPS.

2. Triennial policy review of operational activities

5. While noting the special circumstances surrounding the preparation of this important report, prepared in accordance with General Assembly resolution 46/219, CCSQ/OPS reiterated its preference for a closer consultative process in the preparation of such reports and expressed the hope that a fully participatory approach would be possible in the future. The Committee also noted the desirability of seconding staff from organizations of the system to assist in the preparation of future reports, thereby ensuring that the experience of all organizations of the system would be duly reflected.

6. CCSQ/OPS further noted both the action already taken or planned on some of the recommendations emerging from the triennial review and contained in the

report and the possible implications of other recommendations for its future programme of work.

7. In accordance with paragraph 53 of General Assembly resolution 47/199, CCSQ reviewed in March 1993 a draft work plan on the implementation of the resolution over the next three years. It was agreed that a revised version of this work plan would be reviewed in early June 1993 at an inter-sessional meeting of CCSQ, prior to its submission to the Economic and Social Council.

3. Country strategy note

8. In line with the implementation of General Assembly resolution 44/211, which had called for the provision of a general framework of broad objectives for the operational activities of the United Nations, ACC with the assistance of CCSQ/OPS, had earlier agreed on basic principles and procedures for the elaboration of common United Nations country strategies. However, the General Assembly subsequently adopted resolution 47/199, approving the concept of a common country strategy. At its first session of 1993, CCSQ therefore reviewed its previous agreement in the light of resolution 47/199 and agreed on a text on this subject to be issued by the United Nations to resident coordinators.

4. Programme approach

9. In pursuance of paragraph 17 of General Assembly resolution 44/211 and paragraphs 13 and 14 of General Assembly resolution 47/199, attention was devoted to the programme approach. With the assistance of CCSQ/OPS, ACC adopted in 1992 objectives, definitions and guiding principles of the programme approach. The guidance note provides the common context in which guidelines may be developed to meet the specific requirements of different organizations. It has provided the framework for specific operational guidelines developed by two organizations of the system.

10. Furthermore, in accordance with paragraphs 13 and 14 of General Assembly resolution 47/199, CCSQ, at its first session of 1993, again reviewed the question of a common interpretation of the programme approach and reached agreement, based on its previous work and a further analysis of the subject. A text was developed which will serve as an input into the progress report of the Secretary-General to the Economic and Social Council at its substantive session of 1993.

5. National execution

11. CCSQ/OPS has given considerable attention to developing a common understanding on national execution. Further to paragraphs 22 and 23 of General Assembly resolution 47/199, CCSQ, at its first meeting in 1993, agreed on a common interpretation and guiding principles on national execution for application on a system-wide basis. The common understanding recognizes the principle of direction and control by recipient countries of programmes and projects, as well as the need to enhance capacity, self-reliance and sustainability and more effectively integrate external inputs with national

development activities, in order to ensure greater relevance and impact. This common agreement will be conveyed to the Economic and Social Council in 1993 in the Secretary-General's report.

6. National capacity-building

12. CCSQ/OPS reviewed a number of issues in national capacity-building. It agreed that, while issues of terminology and concepts had been clarified, there remained a clear need for a more coordinated approach to national capacity-building by the United Nations system. It was agreed that organizations would prepare a brief note on the subject as a basis for developing a coordinated approach through a working group. Comprehensive notes on successful examples of collaboration in such areas as programming will be prepared as part of this effort.

7. Successor arrangements for support cost

13. CCSQ considered the report of the Task Force on progress made and the implications of the guidelines for the implementation of the new arrangements. It agreed that this work required continuous monitoring by UNDP and the agencies. CCSQ took note of the important implications of the current situation in regard to support costs for organizations covered by the old arrangements. It was agreed that the Task Force would continue to review pending issues and report on them to the Committee. CCSQ also agreed that small technical agencies would be invited to the next meeting of the Task Force.

8. Decentralization

14. CCSQ stressed the importance of the continuing work of its members on decentralization and their collective responsibility to develop a system-wide understanding of concepts, principles and approaches. It agreed on a text elaborating objectives and guiding principles which would constitute a common framework for the system to achieve the degree of decentralization of capacity and authority being urged by General Assembly resolutions 44/211 and 46/219. The Committee agreed that each organization would review the level of authority decentralized to its respective field representatives so as to achieve more uniform degrees of authority among field representatives of the system and thereby facilitate collaboration within country teams.

15. CCSQ took note of paragraph 25 of General Assembly resolution 47/199 and noted in particular that its provisions on decentralization and delegation of authority were addressed primarily to governing bodies. The Committee further noted that CCSQ/OPS had agreed in 1992 on objectives and guiding principles for decentralization and that a working group on decentralization led by WHO was seized of the matter and would report to the Committee at its next session.

9. Field-level collaboration

16. CCSQ/OPS undertook to monitor the relevance and impact of various guidelines issued with the aim of enhancing field-level collaboration between organizations of the system. Country profiles of field collaboration arrangements were prepared for four countries which revealed a growing level of collaboration. These profiles provided useful information on successful collaboration arrangements which might be replicated in other relevant country circumstances. Further profiles are in preparation.

10. Programme of action for the least developed countries for the 1990s

17. In pursuance of its initiative in providing guidance to headquarters and field structures of member organizations for the implementation of the Programme of Action for the Least Developed Countries for the 1990s, ACC, with the support of CCSQ/OPS, endorsed guidelines on the implications of the Programme, which were issued by the United Nations to resident coordinators and field staff of the system.

18. ACC also adopted the following statement prepared by CCSQ:

> "ACC agrees that the organizations of the United Nations system have a major role to play in advocating the cause of the least developed countries, both in helping them formulate and put into effect sound and operationally relevant development and sectoral policies and in contributing to directing increased flows of assistance to them. ACC urges the organizations of the United Nations system to continue to be actively involved in the implementation of the Programme of Action throughout the 1990s and to give full support to the development efforts of the least developed countries."

11. Simplification and harmonization

19. CCSQ/OPS continued its review of this subject and reaffirmed the willingness of members to respond to the specific needs of recipient countries, bearing in mind that a major aim was to reduce the burden on their administration. CCSQ/OPS (OPS) noted that in paragraph 10 of its resolution 46/219 the General Assembly had stressed that harmonization efforts should be pursued in the framework of enhanced accountability.

20. CCSQ, at its March 1993 session, took note of the preliminary steps taken by the United Nations and JCGP on both the implementation of paragraphs 33 and 34 of General Assembly resolution 47/199 on a common United Nations system manual and the simplification and harmonization of rules and procedures relating to operational activities. An open-ended working group of the JCGP has been created to address the two issues and CCSQ will take follow-up action in the light of its recommendations.

12. Organizations without independent field representation

21. CCSQ/OPS reviewed the implication of measures it had identified to ensure optimal utilization of the technical know-how and experience of organizations without independent field representation. ACC endorsed guidelines developed by CCSQ (OPS) to guide action at both headquarters and field levels (in the latter case taken by the resident coordinator). In agreeing on the measures, CCSQ (OPS) recognized that they would be important to most organizations of the system, since only a few of them had independent representation in all countries; the guidelines have accordingly been issued to the resident coordinators by the United Nations.

13. Refugee aid and development

22. ACC endorsed guidelines developed within CCSQ (OPS) that provide a conceptual framework for work in the area of refugee aid and development, and enhance collaboration among organizations of the system. These guidelines were considered to be particularly timely, since the frequency of complex humanitarian emergencies and resultant refugee flows and other involuntary population movements was on the rise. The guidelines have been distributed to member organizations and resident coordinators.

14. Operational activities training

23. As a further measure to enhance the levels of field collaboration, the Committee had in 1991 launched pilot workshops on the management of field coordination for resident coordinators and senior field representatives of the system. The final evaluation of the seven workshops, held during 1991/92 and attended by 200 participants, confirmed that the programme had been widely acclaimed and that it should therefore be continued. A senior consultant prepared an inventory and a review of current training programmes of the system in operational activities, as well as an identification of training needs which could be met through a common programme. The Committee accepted the consultant's recommendation on an expanded programme, involving (a) an adaptation of the current Turin programme to the country level for United Nations and national staff in about equal numbers, as well as other development partners, and (b) a multi-agency project management programme along the lines of those currently undertaken by various organizations, including a capacity for training trainers, either internal to each country or at the subregional level, making optimal use of existing institutions. These programmes will be elaborated by the International Training Centre of ILO at Turin under the guidance of CCSQ and its Advisory Panel on Training. Full account will be taken of the relevant provisions of General Assembly resolution 47/199 on operational activities training, which are consistent with the expanded programme already endorsed by the Committee.

C. Preparation for the twenty-seventh series of Joint Meetings of the Committee for Programme and Coordination and the Administrative Committee on Coordination

24. ACC welcomes the selection by CPC, at its thirty-second session, of the topic for discussion at the 27th series of Joint Meetings of CPC and ACC: "Results of the United Nations Conference on Environment and Development and their implications for the United Nations system". ACC also notes with appreciation the acceptance by CPC of the suggestion made by OC that the 27th series of Joint Meetings be held in the fall, in conjunction with the second regular session of ACC of 1992. It agrees with the CPC on the need for adequate preparation for the Joint Meetings. ACC, with the assistance of the Inter-Agency Committee on Sustainable Development, will prepare a background paper identifying issues for discussion at the Joint Meetings.

D. Assistance to countries most affected by sanctions concerning Iraq, in the context of Article 50 of the Charter of the United Nations

25. Pursuant to the recommendation contained in paragraph 161 of the report of CPC on the first part of its thirty-second session (A/47/16, Part I), the Secretary-General addressed a letter to the relevant organs, organizations and bodies of the United Nations system, including the international financial institutions and the regional development banks. By that letter the Secretary-General requested components of the United Nations system to provide him with updated information on measures undertaken and progress achieved by them, in 1991-1992, regarding assistance to the 21 countries which have invoked Article 50 of the Charter of the United Nations, in order to alleviate the special economic problems arising from their carrying of Security Council resolution 661 (1990) concerning the situation between Iraq and Kuwait.

26. A total of 27 replies was received in response to the Secretary-General's letter. These included responses from the following specialized agencies: ILO, FAO, UNESCO, WHO, the World Bank, IMF, IFAD and UNIDO, as well as GATT. As regards the United Nations sectoral entities involved, seven of them - UNDP, UNEP, UNFPA, UNRWA, UNCHS, UNHCR, and WFP - also responded. In addition, information was provided by four United Nations regional commissions - ECA, ECE, ECLAC and ESCAP - as well as by five regional development banks - the African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank and Islamic Development Bank.

27. On the whole, replies received from the relevant agencies, organizations and bodies of the United Nations system indicate that they all share concern about the special economic problems of the 21 affected countries that have invoked Article 50 of the Charter of the United Nations and they have all taken due note of the recommendations of the Security Council Committee established by resolution 661 (1990), as well as the follow-up appeals for assistance. Accordingly, most of them, within their respective mandates, programmes of work and available financial resources, have intensified their assistance to the countries concerned. In addition to existing assistance activities and technical cooperation programmes for the countries in question, many specialized agencies (ILO, FAO, the World Bank, IMF, UNESCO and WHO) and sectoral

development programmes (UNDP, UNEP, UNFPA, UNRWA and WFP) have undertaken emergency measures and launched special assistance projects, with a view to mitigating the immediate hardships encountered and urgent needs faced by these affected countries. In terms of direct financial assistance, a prominent role has been played by the World Bank and IMF, as well as by the regional development banks. Although most of the emergency assistance operations have been completed, ongoing activities continue to take account of the special economic problems of the affected countries. Furthermore, several agencies, in particular FAO, UNESCO, IFAD and UNIDO, have expressed their willingness, within their competence and to the extent resources permit, to identify and implement additional assistance projects, with a view to further alleviating the impact of the Gulf crisis and redressing its longer-term consequences.

28. However, in the absence of adequate arrangements, mechanisms and procedures for the implementation of measures relating to provisions of Article 50 of the Charter of the United Nations, it has not been possible in all cases to distinctly separate and fully estimate the assistance provided thus far by individual agencies and programmes involved, in compensation for the actual losses and costs incurred by those affected countries. Nor has it been possible to aggregate this data and assess the effectiveness of the collective response of the United Nations system to the appeals launched pursuant to Security Council recommendations regarding the countries concerned.

29. In this connection, it should be recalled that in his report "An Agenda for Peace" (A/47/277-S/24111), the Secretary-General expressed the view that, in circumstances in which peacemaking requires the imposition of sanctions under Article 41 of the Charter of the United Nations, it is important that States confronted with special economic problems not only have the right to consult the Security Council regarding such problems, as Article 50 provides, but also have a realistic possibility of having their difficulties addressed. Accordingly, the Secretary-General recommended that the Security Council devise a set of measures, involving financial institutions and other components of the United Nations system, that can be put in place to insulate States from such difficulties. Such measures would, indeed, be a matter of equity as well as a means of encouraging States to cooperate with decisions of the Council.

30. In response, the Security Council adopted a Statement made by the President of the Council at its 3154th meeting held on 30 December 1992 (S/25036). In particular, the members of the Security Council expressed their determination to consider this matter further and invited the Secretary-General to consult the heads of international financial institutions, other components of the United Nations system and Member States of the United Nations and to report to the Security Council as early as possible. The process of consultations has accordingly been initiated and the Secretary-General will report to the Security Council on this matter in the near future.

II. RESPONSE OF THE ADMINISTRATIVE COMMITTEE ON COORDINATION TO RECENT INTERNATIONAL DEVELOPMENTS

A. Implications for the United Nations system of the transition process in Eastern and Central Europe and in the States of the Commonwealth of Independent States

31. For the past several years, ACC has been monitoring the impact of evolving East-West relations and focusing its discussions on the role of the United Nations system in facilitating the process of change. In 1991, ACC reviewed the economic reforms under way and concluded that, while they were promising in the long run, they would not yield significant economic growth in the short to medium term. It therefore decided to concentrate the bulk of its attention on immediate problems, particularly with respect to ensuring adequate resources to meet the needs of the countries in transition, without compromising obligations to developing countries. At a special high-level meeting of the Economic and Social Council on the impact of East-West relations on the growth of the world economy, held in July 1991, it was noted that the vast scope of the fundamental political, economic and social changes taking place in Eastern and Central Europe and in the Commonwealth of Independent States would be accompanied by tensions and difficulties and that the United Nations system had a primary role to play in alleviating such problems.

32. The importance that the Secretary-General and the organizations of the United Nations system attach to an integrated approach to and presence in the region is reflected in the fact that this matter has been one of the principal items on the agenda of ACC during 1992. At its first regular session for 1992, ACC had a comprehensive discussion of the implications for the United Nations system of the transition process in Eastern and Central Europe and in the countries of the Commonwealth of Independent States. The issues involved have also been considered by a number of other relevant inter-agency bodies, including CCSQ (OPS) and JCGP, as well as in bilateral consultations among the organizations concerned.

33. ACC concluded that the provision of assistance to the States in transition was a major challenge that would require collective action by the whole United Nations system. A number of basic principles were highlighted, including respect for the territorial integrity of these States, promotion of human rights and respect for minorities. An important focus of United Nations assistance would be the strengthening of democratic institutions and market-economy structures. In the short term, the United Nations would also need to provide diplomatic assistance in settling conflicts as well as humanitarian assistance, including preventive protection aimed at pre-empting the displacement or facilitating the return of displaced people. At all levels, United Nations organizations and agencies should act in concert in order to avoid duplication of effort. They should work in close cooperation with the Governments of the countries concerned, the donor community and non-governmental organizations to establish a coherent framework of action. The importance of effective coordination was emphasized, as was the need to ensure a systematic flow of information both inside and outside the system, in order to facilitate the best possible use of scarce resources. Executive heads considered that the system should stand ready, subject to the availability of appropriate funding, to put

its experience to an increasing extent at the disposal of countries in transition in Central and Eastern Europe, the Commonwealth of Independent States and Asia.

34. The role of the United Nations system within overall assistance efforts was a major focus of discussion in ACC. Among the major concerns expressed were the need to coordinate United Nations assistance with bilateral activities; the impact on other United Nations system programmes of the assistance being provided to the countries in transition; the needs of developing countries that had been receiving assistance from the former Soviet Union; and the importance of ensuring that a greater share of the resources available from bilateral sources for the countries concerned was channelled through the United Nations system. There was clear agreement on the principle that assistance extended to these countries should not affect global programmes or impair the capacity of the United Nations system to provide assistance to developing countries.

35. The position of the United Nations system at the Coordinating Conferences on Assistance to the New Independent States, held in Washington, D.C. on 24 and 25 January, in Lisbon on 23 and 24 May and in Tokyo on 29 and 30 October 1992, has been based on these considerations. The United Nations system was represented at the first Conference by a unified delegation led by the then Director-General for Development and International Economic Cooperation. At the subsequent Conferences the United Nations system again participated as an integrated team, led by the Director-General of the World Health Organization. The preparation for and follow-up to these Conferences have provided the framework for the development of a coordinated United Nations system response to the overall assistance effort.

36. While each new independent State faces specific problems of transition, requiring assistance tailored to its special needs, the strength of the United Nations system lies in its integrated approach, which addresses the political, socio-economic, environmental and humanitarian dimensions of a situation in a comprehensive way. Joint inter-agency missions that have visited a number of the countries of the region to assess requirements for humanitarian assistance and longer-term development assistance have emphasized both the need to develop a well coordinated system-wide programme and to avoid straining further the absorptive capacity of the countries concerned.

37. In addition to offering diverse, impartial and cost-effective technical assistance, the United Nations system could provide a framework in which interested multilateral and bilateral parties could work together, focusing on the needs of individual countries, while at the same time addressing regional and subregional concerns. The system could also act as an impartial forum for dialogue on issues involved in the transition process between policy makers in the newly independent countries and those in other regions.

38. At United Nations Headquarters, an Inter-agency Task Force on the New Independent States was established in early 1992. This inter-agency mechanism acted as a clearing-house for the exchange of information on United Nations activities in the new independent States and organized the participation of the United Nations system delegation in the Coordinating Conferences. A newsletter on the new independent States was also published to keep the organizations of the United Nations system, Governments, non-governmental organizations and other

interested constituencies abreast of developments relating to United Nations activities in the new independent States.

39. ACC welcomed the establishment by the Secretary-General of integrated United Nations offices in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Ukraine and Uzbekistan. These offices are available to serve those specialized agencies which wish to make use of their administrative services.

B. Inter-agency implications of the eighth session of the United Nations Conference on Trade and Development

40. At the eighth session of the United Nations Conference on Trade and Development, participating countries called on countries at all stages of development to create a new partnership for development based on the recognition of sovereign equality, mutual interest and shared responsibilities. It was emphasized that strengthened multilateral cooperation was required to help translate broad commitments in the areas of trade and development into sustained growth in the world economy and a reactivation of development in the developing world. UNCTAD, with its central development mission encompassing the interrelationships among a wide range of issues of trade and development, could play a constructive role in the exploration and building of international consensus on these themes. But its work could only be a contribution to a wider effort, a cooperative endeavour that needed to involve the whole of the United Nations system in the attainment of broad objectives agreed on by the international community.

41. At its first regular session of 1992, ACC examined the role of the United Nations system in this respect. The Secretary-General of UNCTAD expressed his deep appreciation for the valuable assistance which all organizations of the United Nations system had provided in the preparatory process leading to the eighth session of UNCTAD. The Conference had marked a turning-point in the history of the institution. It had highlighted and developed common approaches to a number of major themes that would dominate the international economic agenda of the 1990s. Agreement had been reached at the Conference on both a comprehensive reorientation of the substantive work of UNCTAD and a far-reaching restructuring of its intergovernmental machinery. UNCTAD was viewed as the appropriate focal point within the system for the integrated treatment of development and related issues in trade, finance, investment, services and technology. Its mandates had been reaffirmed and it had been considered that its functions would have to be exercised in a dynamic and progressive sequence, beginning with the identification of a relevant set of issues, continuing with high-quality analytical work and in-depth exploration of issues and concluding in a process of intergovernmental interaction to identify areas of convergence and build consensus. That process would in turn culminate, where appropriate, in negotiations undertaken on a selective basis and leading to implementable decisions. The Conference had emphasized that while UNCTAD must discuss and make recommendations and generate political impulses on matters falling within its purview, full respect must be accorded to the competence of other institutions in specific issue areas. UNCTAD's role was therefore to build policy consensus, which would be translated into decisions or rules for action by UNCTAD or other organizations of the United Nations system, in accordance with their own constitutional arrangements.

42. On the basis of the decisions of the eighth session of UNCTAD, the programme of work of the Trade and Development Board had been comprehensively reoriented towards four principal focuses:

(a) International partnership for development;

(b) Global interdependence;

(c) Paths to development;

(d) Sustainable development.

In place of the existing subsidiary bodies, new standing committees had been established on commodities, poverty alleviation, economic cooperation among developing countries and developing services sectors, as well as ad hoc working groups on investment and financial flows, trade efficiency, comparative experience with privatization, expansion of trading opportunities for developing countries and the interrelationship between investment and technology transfers.

43. In the course of 1992 the Trade and Development Board of UNCTAD adopted terms of reference of all the new subsidiary bodies. All of these bodies have met and adopted their programmes of work.

44. ACC welcomed the readiness of the UNCTAD secretariat to work actively with all concerned organizations towards agreement on concepts, as well as, where necessary, the sorting out of functions and the establishment of operational guidelines and other coordination arrangements in respect of UNCTAD activities that interfaced with their programmes. ACC noted that the UNCTAD secretariat planned to make full use of existing arrangements for consultation with other organizations before its intergovernmental bodies took decisions that might closely affect them. Consultations with respect to draft work programmes and medium-term plans would also continue.

45. In connection with concern expressed about the terms of trade for commodities, the UNCTAD secretariat indicated that it was keenly aware of the acute problems of commodities, the need to improve their terms of trade and the fundamental need to stop and reverse the fall in commodity prices and establish better safety nets. The terms of reference of the new Standing Committee on Commodities set out a number of objectives, including improving the functioning of commodity markets by reducing distortions affecting supply and demand; working towards greater cost-effectiveness and productivity, thereby enhancing competitiveness; achieving a gradual reduction in excessive dependence on the exports of primary commodities through horizontal and vertical diversification of production and exports, as well as crop substitution; progressive removal of trade barriers for commodity products; and improving market transparency.

46. Furthermore, in accordance with its terms of reference, the Standing Committee on Commodities initiated discussions on a world conference on commodities, called for by UNCTAD at its eighth session. Consultations on the possible convening of such a world conference will continue.

III. FINANCIAL, ADMINISTRATIVE AND PERSONNEL ISSUES

A. Personnel and general administrative issues

47. In the sphere of common system personnel management, 1992 was particularly noteworthy; in resolution 47/216 the General Assembly took note of the lack of competitiveness of United Nations common system remuneration levels at the Professional and higher categories and asked the International Civil Service Commission to study the application of the Noblemaire principle "with a view to ensuring the competitiveness of the United Nations common system".

48. The Assembly's action follows, in large measure, from repeated ACC requests that United Nations remuneration be restored to a level that would enable its organizations to attract and retain the best staff. In its statement to the General Assembly in October, ACC had again drawn particular attention to the paramount importance of ensuring that the conditions of service of United Nations common system staff be competitive.

49. At the behest of ACC, CCAQ (PER) produced a series of reports related to this matter in 1992. These included a study of the salary systems and levels of other international bodies, such as the European Community, the coordinated organizations and the World Bank group, and an analysis of the implications of the United States Federal Employees Pay Comparability Act, which is expected to have a significant impact on pay in the comparator civil service from 1994 onwards.

50. These issues will again be the focus of attention in CCAQ in 1993 and subsequent years with a view to restoring the competitivity of United Nations remuneration levels.

51. A number of other proposals developed by ACC (with the assistance of CCAQ in conjunction with ICSC) met with General Assembly approval in 1992, including the increase in the education grant in the United States dollar area and four other country/currency areas and an increase in the base/floor salary scale by 6.9 per cent.

52. One issue which met with a less favourable response in 1992 but which will be reverted to in 1993 relates to the structure of the salary scale. In this connection, ACC proposals for 3 and 5 per cent increases at the D-1 and D-2 levels and for increases of 7 and 11 per cent at the ASG and USG levels were either not supported by ICSC or have not yet been dealt with by the General Assembly. These will be reviewed again by CCAQ in the context of creating a more appropriate structural framework for United Nations pay setting and in the development of an appropriate mechanism for rewarding good performance.

53. In 1992, CCAQ also studied a number of new approaches to the terms and conditions of employment of the Professional and higher grades; most of these (such as special and occupational pay systems, recruitment, relocation and retention bonuses; and above-minimum entry rates) reflected arrangements made use of by the comparator. Some issues remain for further investigation within ICSC in 1993. A number of other initiatives are likely to be introduced in CCAQ in a bid to strengthen organizations' ability to develop and manage their human resources.

54. This emphasis on personnel management concerns will be uppermost in the consideration of a number of reviews developed by CCAQ and its subcommittees which, as appropriate, will be forwarded to ACC for endorsement. These will include guidelines for a policy on sexual harassment; training in performance evaluation; work/family-related issues, such as spouse employment; and upgrading management skills, including the application of management assessment instruments which will allow managerial potential to be identified.

55. As in the past, overall security issues and concerns for particular hardships at the workplace, such as extreme hazards to the health and safety of personnel, will continue to form part of the CCAQ work programme.

B. Financial issues

1. Financial situation of organizations of the United Nations

56. The financial situation of organizations of the system continued to be a subject of serious concern to ACC in 1992. Although the financial regulations of organizations which have assessed regular budgets generally provide that contributions under such budgets are due and payable on 1 January of the year to which they relate, statistics assembled under ACC auspices showed that some $715 million, or nearly 27 per cent of total assessments of about $2,650 million due for 1992, remained unpaid at the year-end. Cumulative arrears for prior years amounted to over $406 million, or more than 15 per cent of the 1992 assessments, at the same date. The 29 largest contributors under the current scale of assessments of the United Nations accounted for more than $624 million of the unpaid 1992 assessments in the system and over $274 million of the cumulative arrears for prior years. These two amounts represented, respectively, approximately 26 and approximately 11 per cent of the largest contributors' total 1992 assessments of about $2,417 million under regular budgets.

57. This situation was aggravated, for the United Nations, by the non-receipt of substantial amounts of contributions due outside the regular budget for peace-keeping activities, and for a majority of the organizations concerned, by uncertain prospects of payment from several countries in Eastern Europe, including large contributors in that region. As a result, special financial measures to curtail expenditures again had to be adopted in a number of organizations, to the detriment of substantive programmes and supporting infrastructures.

58. During the year ACC kept the financial status and prospects of the organizations under review in the context of the meetings of CCAQ (FB). These meetings permitted financial managers to discuss common concerns and inform themselves of action taken or under consideration in individual organizations.

59. ACC also examined the functioning of incentive and penalty schemes designed to speed up the payment of assessed contributions. This review indicated that the two existing penalty schemes, providing for interest charges on late payments, continued to be very effective. The effectiveness of incentive schemes, however, generally providing for some form of rebate for prompt payment, remained doubtful or difficult to determine, except in one case, in

which relatively large sums were available for distribution. Discussions of this subject and the general financial situation and outlook of the organizations were scheduled to continue.

2. Accounting standards

60. Following consultations carried out through CCAQ (FB) with the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency, and in response to a request formulated by the General Assembly in its decision 46/445, of 20 December 1991, ACC initiated work at the end of 1991 on the development of common accounting standards for the system. As indicated by the Secretary-General in a report submitted to the General Assembly at its forty-seventh session (A/47/443), it was the aim of ACC that this work should result in significant and substantial progress by the time of that session and that a full set of accounting standards for the system should be completed by the forty-eighth session, after which the standards were to be periodically reviewed and updated under procedures comparable to those through which they had been established.

61. In the course of 1992, development work on the standards proceeded on schedule in the form of meetings of senior accounting specialists from various organizations of the system, convened and monitored by CCAQ (FB). By the end of the year the draft standards had reached a stage at which they could be referred to the Panel of External Auditors for observations and it was expected that a final text would be completed in accordance with the agreed timetable or at an even earlier date. The common standards could then be taken into account, as requested by the General Assembly in its resolution 47/211 of 23 December 1992, in the preparation of financial statements for the period ending 31 December 1993.

62. The common text is based essentially on standards promulgated by the International Accounting Standards Committee but also takes account of standards developed by professional bodies concerned with accounting in the public sector and practices developed to meet the specific needs of the system. ACC and the Panel of External Auditors have agreed that the common standards should not simply describe existing practice but should prescribe preferred practice to the greatest possible extent. The standards are thus expected to draw accounting principles and methods in the system towards common norms. In this process changes in organizations' existing financial regulations and financial policies are likely to be required.

3. Statistical reports

63. In agreement with the Advisory Committee on Administrative and Budgetary Questions, ACC in 1991 assumed responsibility for the collection, consolidation and presentation of statistical data previously included in the annual reports of the Advisory Committee to the General Assembly on administrative and budgetary coordination of the United Nations with the specialized agencies and the International Atomic Energy Agency. The new series of ACC reports was to cover essentially the same ground as the previous statistical tables of the Advisory Committee and to contain system-wide information on regular budgets and

assessed contributions, working capital funds, expenditures and receipts of voluntary contributions, and staff resources.

64. In view of the biennial approach to the programme of work of the Fifth Committee that had been adopted by the General Assembly in its resolution 46/220 of 20 December 1991, both the first and the second of the new ACC statistical reports were submitted for consideration at its forty-seventh session. In its decision 47/449 of 22 December 1992, the General Assembly requested that the next such report should be submitted at its forty-ninth session and thereafter every second year, and that information on assessed and voluntary contributions paid by Member States and non-member States should be added to it. ACC intends to consider in 1993, through CCAQ (FB), means of making this addition and other improvements to the reports.

4. Other financial issues

65. In the course of its work on budgetary, financial and related questions in 1992, ACC also, inter alia,

(a) Endorsed the agreements reached by organizations having their headquarters or major offices in Geneva on rates of exchange and inflation to be assumed in proposed budgets covering 1994 and 1995. These agreements were intended both to form the basis for a common approach to the costing of expenditure estimates for Switzerland and, more generally to provide a point of reference in the costing of organizations' budget proposals;

(b) Undertook, through the United Nations in the first instance, consultations aimed at reaching agreement with the Commission of the European Communities on financial and administrative conditions for humanitarian and operational activities financed by the Communities and implemented by organizations of the system. It was hoped that the development of mutually satisfactory arrangements would permit the volume of such activities to be expanded considerably in the future;

(c) Arranged to continue independent surveys of support costs incurred in organizations having the largest UNDP-financed field programmes. These surveys, initiated in connection with the new regime of support costs of UNDP, were expected to provide on a regular basis data of a kind not previously available and a methodology capable of being extended for management purposes both to other organizations and to field activities financed from other sources;

(d) Continued confidential inter-organization exchanges on means of detection and prevention of fraud;

(e) Assembled and reviewed extensive data on the cost of organizations' health insurance schemes, as a basis for such management measures as might be found necessary to control such costs;

(f) Endorsed, in consultation with the International Standards Organization, the principle of development of common country and currency codes for use in the financial and administrative operations of organizations of the system, particularly in cooperative and common procurement.